

**MCB INVESTMENT HOLDING LTD**

ANNUAL REPORT

30 JUNE 2024

**CONTENTS****PAGE**

Report of the Directors	1
Secretary's certificate	2
Corporate governance report	3-12
Statement of compliance	13
Independent auditor's report	14-15
Statement of financial position	16
Statement of profit or loss and other comprehensive income	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the financial statements	20-29

## MCB INVESTMENT HOLDING LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2024

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The directors have the pleasure in submitting the Annual Report of MCB Investment Holding Limited (the "Company" or "MCBIH") for the year ended 30 June 2024.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company. In preparing those financial statements, the directors are required to:

- ensure that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") have been adhered to, subject to any material departures disclosed, explained and quantified in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- keep proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company while ensuring that the financial statements fairly present the state of affairs of the Company, as at the financial year end, and the results of its operations and cash flows for that period; and
- ensure that the financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and comply with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

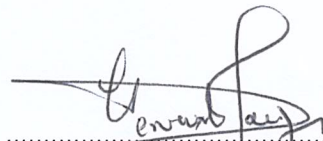
The directors confirm that they have complied with the above requirements in preparing the financial statements.

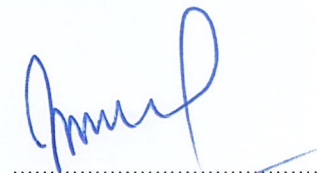
The directors are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors report that:

- adequate accounting records and an effective system of internal control system and risk management framework have been maintained;
- the financial statements fairly present the state of affairs of the Company, as at the financial year end, and the results of its operations and cash flows for that period;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been consistently used;
- IFRS Accounting Standards as issued by the IASB, the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 have been adhered to; and
- the financial statements have been prepared on the going concern basis as the Company is likely to continue in business in the foreseeable future.

This report was approved by the Board of Directors on 27 September 2024.

  
.....  
Jean-François Desvaux de Marigny  
Chairperson

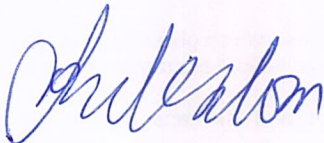
  
.....  
Jean Michel Ng Tseung  
Executive Director

**MCB INVESTMENT HOLDING LIMITED**

**SECRETARY'S CERTIFICATE**

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We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 (the "Act").



For and on behalf of

**MCB Group Corporate Services Ltd**  
**Company Secretary**

Date: 27 September 2024



# MCB INVESTMENT HOLDING LIMITED

## CORPORATE GOVERNANCE REPORT

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### 1. GOVERNANCE STRUCTURE

#### 1.1 Overview

MCB Investment Holding Limited (the "Company" or "MCBIH") is a private company and wholly owned by MCB Group Limited ("MCBG" or the "Group"). MCBIH is the holding company of the banking subsidiaries of MCBG and is a Public Interest Entity as defined under the first schedule of the Mauritius Financial Reporting Act 2004 since its total assets exceed one billion rupees.

It is committed to the highest standard of business integrity, transparency and professionalism in all its activities and to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

#### 1.2 Statement of compliance

The Board of Directors ("the Board") has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Company under the National Code of Corporate Governance for Mauritius ("the Code").

The Board regularly reassesses the requirements of the Code to ensure that the Company remains compliant thereto in all material aspects.

Throughout the year ended 30 June 2024, to the best of the Board's knowledge the organisation has complied with the Code in all material aspects.

#### 1.3 Constitutive documents or Charter documents

##### 1.3.1 Board charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The last review was on 27 September 2023.

The Charter provides for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Company are duly escalated to the Board of the Company and to the Board of the ultimate holding company by the Chairperson.

##### 1.3.2 Organisation structure

MCBIH is an intermediate holding company with no commercial activities and has a small team of professionals working closely with the management team of the overseas subsidiaries, in order to accompany the latter in the achievement of their objectives.

##### 1.3.3 Position statements

Position Statements which can be viewed on the website of the Company provides a clear definition of the roles and responsibilities of the Chairperson, Executive Director and Company Secretary.

##### 1.3.4 Statement of main accountabilities

The Board is responsible and accountable for the long-term success of the Company and assigned the main accountabilities as follows:

Chairperson	<ul style="list-style-type: none"><li>• Provides overall leadership to the Board;</li><li>• Ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy;</li><li>• Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge; and</li><li>• Maintains sound relations with the shareholder.</li></ul>
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**MCB INVESTMENT HOLDING LIMITED**  
**CORPORATE GOVERNANCE REPORT**

Board	<ul style="list-style-type: none"> <li>• Ensures compliance by the Company with applicable legislation, regulation and policies;</li> <li>• Sets the Company's direction and strategy;</li> <li>• Safeguards the assets of the Company; and</li> <li>• Ensures long term interests of the shareholder are being served.</li> </ul>
Executive Director	<ul style="list-style-type: none"> <li>• Oversees the implementation of long and short term plans of MCBIH and its subsidiaries in line with its strategy;</li> <li>• Ensures efficient utilization of resources;</li> <li>• Sets direction and oversees operations; and</li> <li>• Assesses the principal risks of the Company and its subsidiaries and ensures that they are being monitored and managed.</li> </ul>

**1.3.5 Material clauses of the Constitution**

The salient features of the Constitution are highlighted below:

**Pre-emptive provisions:**

- Save and except when the shares are purchased by the Company, no share in the capital of the Company shall be sold or transferred by any shareholder unless and until the rights of pre-emption have been exhausted.

**Reserved matters:**

The Constitution of the Company provides for reserved matters. These provide that the representatives of the shareholders shall not vote on a shareholder' resolution of The Mauritius Commercial Bank Ltd which would trigger shareholders' rights under sections 105, 108 or 114 of the Act without prior consent of the shareholders of MCB Group Limited. Such shareholders' resolution includes:

- adoption of a Constitution or the alteration or revocation of the Constitution;
- reduction of the stated capital of the Company under section 62 of the Act;
- approval of a major transaction;
- approval of an amalgamation of the Company under section 246 of the Act;
- putting the Company into liquidation; and
- variation of rights attached to a class of shares.

**2. THE BOARD STRUCTURE**

**2.1 Board and Chairperson roles and responsibilities**

The Board structure is unitary with a mix of executive, non-executive and independent directors. All the members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on the key issues relevant to the business of the Company, independent of management and to protect the interests of the shareholder, clients and other stakeholders.

The Chairperson's primary role is to ensure that the Board is effective in its tasks of setting the Company's direction and strategy. The Chairperson also ensures that appropriate policies and procedures are in place for the effective management of the Company. The external obligations of the Chairperson have in no way hindered the discharge of his duties and responsibilities.

**2.2 Composition of the Board**

The Board examines the size, composition and the essential competencies of its members regularly to ensure that there is an appropriate balance of skill, experience and knowledge on the Board to carry out its duties and responsibilities effectively. The Board comprises three members as detailed below:



## MCB INVESTMENT HOLDING LIMITED

### CORPORATE GOVERNANCE REPORT

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Name	Title	Category	Gender	Residence
Jean-François DESVAUX DE MARIGNY	Chairperson	Non-Executive	Male	Mauritius
Jean Michel NG TSEUNG	Director	Executive	Male	Mauritius
Margaret WONG PING LUN	Director	Independent	Female	Mauritius

Mr. Jean Michel NG TSEUNG is also a director of MCBG, the holding company.

The size of the Board and its level of diversity is commensurate with the size of the Company which is an intermediate holding company with no commercial activities. The Board does not consider it practical to have at least two executive directors and two independent directors as members of the Board given the nature of the activities of the Company.

#### 2.3 Profile of Directors

A brief profile of each director along with their directorships in listed companies is set out below:

##### (i) Jean-François Desvaux de Marigny, Non-Executive Director and Chairperson

Fellow of the Institute of Chartered Accountants in England and Wales, Jean-François has accumulated wide-ranging experience in the banking and financial sector, having worked as an Auditor in Europe for several years before joining The Mauritius Commercial Bank Limited (the 'MCB Ltd' or the 'Bank') in 1986. During his career at the Bank, he shouldered various high-level responsibilities in his capacity as Head of Finance, Company Secretary and Deputy Chief Executive, amongst others. He has participated actively in the development of MCB Ltd's regional network and was also involved in the launching of the Stock Exchange of Mauritius in 1989. He is currently a director of several companies within the Group. He was an executive director of the MCB Ltd from 2013 to 2015 and was re-appointed as non-executive director and Chairperson of the Board of the MCB Ltd in December 2018.

Directorship in listed companies: Attitude Property Ltd

##### (ii) Jean Michel Ng Tseung, Executive Director

Holder of a BSc (Honours) in Mathematics from Imperial College of Science and Technology and member of the Institute of Chartered Accountants in England and Wales, Jean Michel joined MCB Ltd in January 2004 and was Head of Corporate of the MCB Ltd until July 2015, when he was appointed Chief Executive Officer of MCBIH. As from 1 March 2023 he was appointed Chief Executive of MCB Group Limited. Jean Michel trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and subsequently of Ernst & Young in Mauritius. He is currently a Board member of several companies within the Group.

Directorship in listed companies: MCB Group Limited, Compagnie Des Villages de Vacances de l'Isle de France Limitée

##### (iii) Margaret Wong Ping Lun, Independent Director

Margaret holds a BA (Hons) in Business Studies (UK) and is a Fellow of the Institute of Chartered Accountants in England and Wales. Prior to her retirement as lecturer in Accounting and Finance at the University of Mauritius, she was a Senior Manager at De Chazal Du Mée's Consultancy Department. She was a former member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd. She was appointed to the Board of MCB Ltd in 2004 and was a Director thereof until March 2014, after which she joined the Board of MCB Group Limited following the restructuring of the Group, until November 2019. She currently serves the Board of various subsidiaries of the Group.

Directorship in listed companies: Compagnie Des Villages De Vacances De L'Isle De France Limitée, Fincorp Investment Ltd

## **MCB INVESTMENT HOLDING LIMITED**

### **CORPORATE GOVERNANCE REPORT**

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#### **2.4 Company Secretary**

The Company Secretary is MCB Group Corporate Services Ltd a private company incorporated in Mauritius with its registered office at 9-15 Sir William Newton Street, Port Louis.

All board members have access to the Company Secretary for information relating to the Board matters. The profile of the Company Secretary can be viewed on the website of MCBIH.

#### **2.5 Board attendance**

Board meetings are held on a quarterly basis but may be convened at any time in case urgent matters need to be discussed.

4 Board Meetings were held during the year and all 4 of them were attended by all the directors.

#### **2.6 Board committees**

The Company is an intermediate holding company wholly owned by MCBG and all its subsidiaries have their own audit and risk committees.

The directors of the Company are appraised at board meetings of all material matters reported by the audit and risk committees of the subsidiaries from the director(s) attending the audit committees, risk committees and / or the board meetings of the subsidiaries.

Furthermore, all audit-related and risk-related issues of MCBIH and its subsidiaries, are taken up at the level of the Audit Committee or of the Risk Committee of MCBG, which meet on a quarterly basis.

### **3. DIRECTORS APPOINTMENT PROCEDURES**

#### **3.1 Directors' selection**

The Remuneration, Corporate Governance Ethics and Sustainability Committee ("RCGES") of MCB Group Limited identifies suitable candidates for the Board of the Company after determining whether the potential candidates have the required criteria it has established.

The RCGES then proposes the selected candidates to the Board of the Company for review and approval.

#### **3.2 Election and re-election of Directors**

All directors are re-elected each year at the Annual Meeting of Shareholders.

#### **3.3 Induction of new Directors**

The new directors are given an induction pack, which comprises the constitutive documents and the minutes of the last meeting of the Board.

An introductory meeting is organised with the CEO to explain the business activities of the Company and its governing policies.

The Chairperson, the Executive Director as well as the Company Secretary are readily available to answer any queries that the newly appointed directors may have with respect to the Company.

The programme meets the specific needs of both the Company and the newly appointed directors and enable the latter to participate actively in Board's discussion.



## **MCB INVESTMENT HOLDING LIMITED**

### **CORPORATE GOVERNANCE REPORT**

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#### **3.4 Professional development**

The Chairperson regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from the directors, the Company shall provide the necessary resources for developing and updating its directors' knowledge and capabilities.

All the directors were invited to attend a training on Agile Governance, organized by the ultimate holding company, MCB Group Limited. The training was held on 14 July 2023.

#### **3.5 Succession planning**

MCBG is one of the largest group of companies in Mauritius with a large pool of talent with different skills, academic and professional qualifications, and expertise in various fields of business.

The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders. The Board assumes the responsibilities for succession planning.

The Chairperson of the Board is responsible for overseeing the succession planning for the Board in collaboration with the Executive Director and the RCGESC of MCB Group Limited.

#### **3.6 Time commitment**

Each director is expected to devote sufficient time and attention to the affairs of the Company. The Company anticipates a time commitment of around 2 days per year. This will include attendance at Board meetings, Board committees (if applicable), the Annual Meeting of Shareholders and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time, and particularly when the Company is undergoing a period of increased activity.

In addition to the above, the directors devote additional time sitting on the board and board committees of the subsidiaries of MCBIH.

### **4. BOARD PERFORMANCE AND EVALUATION**

#### **4.1 Legal duties of Directors**

The directors are aware of their legal duties under the Act and other relevant legislations. They exercise the required standard degree of care, skill and diligence which a reasonably prudent and competent director in such position would exercise.

#### **4.2 Remuneration philosophy**

The Board reviews the adequacy of the directors' and senior executives' remuneration and recommendations are made accordingly to the RCGESC of the MCB Group Ltd.

The RCGESC of MCB Group Ltd is responsible for the setting up and development of the Group's general policy concerning the remuneration of directors. MCBG lays significant emphasis on appointing the right people with the relevant skills and appropriate behaviours and rewarding them, in line with market practice.



## MCB INVESTMENT HOLDING LIMITED

### CORPORATE GOVERNANCE REPORT

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#### 4.3 Directors' remuneration

The Directors' fees and remuneration are in accordance with market rates and the total remuneration and benefits received or due and receivable by each director from the Company and its Subsidiaries are as follows:

##### Remuneration and Benefits received

	From the Company Rs'000	From the Subsidiaries Rs'000	Total Rs'000
Jean-François Desvaux de Marigny	132	4,540	4,672
Margaret Wong Ping Lun	121	-	121
<b>Total non-executive and independent directors</b>	<b>253</b>	<b>4,540</b>	<b>4,793</b>

The non-executive and independent directors have not received remuneration in the form of share options or bonuses associated with organizational performance. The Executive Director does not receive any emoluments from the Company.

#### 4.4 Directors' interests in shares

The directors do not hold shares in the Company directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

#### 4.5 Directors' service contracts

There are no fixed term contracts or service contracts between the Company and the directors.

#### 4.6 Related party transactions

Related party transactions have been conducted in accordance with the Conflicts of interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 17 of the financial statements.

#### 4.7 Policies of the Company

The following policies of the holding company, MCBG, which is reviewed on a regular basis by MCBG, have been adopted by the Company.

##### *Whistleblowing*

The Whistleblowing Policy of MCBG provides the employees with a reporting channel on suspected misconduct or malpractice within the Company without the risk of subsequent victimization or discrimination. The policy outlines the complaint handling and reporting processes to improve transparency.

##### *Code of Ethics*

This code has been devised to provide directors and employees of each business clusters regrouped under the MCB Group Limited, the required information on how to always conduct business with the highest levels of integrity. Compliance with the Code of Ethics is regularly monitored and evaluated by the Board.

##### *Conflicts of interest and Related Party Transaction Policy*

The objective of the policy is to define the scope of conflicts of interest and related party transactions conducted by the Directors and Senior officers of MCB Group Limited and its subsidiaries and to set out prudent rules and limits for granting credit to related parties.

## **MCB INVESTMENT HOLDING LIMITED**

### **CORPORATE GOVERNANCE REPORT**

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#### **4.8 Information governance**

The Board oversees information governance within the organization. The Information, Information Technology and Information Security Governance Policy of the MCB Group applies to all the subsidiaries of the Group. All policies relating to information security are made accessible to all the employees of the Group without restriction via its intranet system. Appropriate governance arrangements are in place whereby the IT function and function responsible for monitoring adherence to Information Risk and IT are kept separate.

Furthermore, the Group lays due emphasis on the confidentiality, integrity, availability and protection of information, backed by an adapted information and information technology (IT) systems. The Group ensures that access to information is only available to authorised parties while having physical and logical access controls in place at all times and staff are regularly made aware, through fitting communication channels, of relevant requirements.

#### **4.9 Register of interest**

An interest's register is maintained by the Company Secretary and is available for consultation by the shareholder upon request.

#### **4.10 Board, committees and directors' performance**

The Board acknowledges the need of regularly reviewing the performance and effectiveness of the Board, its Committees and its Directors and resolved to carry out an evaluation exercise every three years.

An assessment was effected internally in July 2024 with respect to the financial year 2023/2024 by means of a questionnaire filled by each director to assess the Board's effectiveness and whether directors continue to discharge their respective duties effectively. The questions were categorised as follows:

- Structure of the Board;
- Board efficiency and effectiveness;
- Strategy and performance;
- Risk management and Governance;
- Director's self-assessment; and
- Chairperson's appraisal.

The Board evaluation exercise was completed successfully, and the findings revealed no issues.

### **5. RISK GOVERNANCE AND INTERNAL CONTROL**

The Board is responsible for risk management, the procedures in place within the organisation and the definition of the overall strategy for risk tolerance.

The Company's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk;
- development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- reviewing the effectiveness of the system of internal control; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.



## **MCB INVESTMENT HOLDING LIMITED**

### **CORPORATE GOVERNANCE REPORT**

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At the company level, the key residual risks are strategic, legal, regulatory, reputational, operational and financial risks. The Board is ultimately responsible for these matters and delegates the ongoing tasks to management.

Strategic risks are risks associated with the type of business-level strategy adopted by the Company in the pursuit of its strategic objectives and growth opportunities. The Company mitigates this risk through an ongoing review of strategic matters by the Group.

Legal risks are managed by the Board, taking advice from the Company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

Regulatory and reputational risks are managed by the Board and involves the setting out of proper processes and procedures in order to ensure compliance with all legal and regulatory frameworks.

Operational risks pertain to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and are managed by the Board.

The identification and management of the financial risks are discussed in note 5 to the Financial Statements.

The Board is satisfied regarding the implementation, operation and effectiveness of internal control and risk management.

During the financial year under review, no risk or deficiency has been noted in the organisation's system of internal controls.

#### **6. REPORTING WITH INTEGRITY**

MCBIH has been incorporated as a fully owned subsidiary of MCBG in November 2013 to hold investments in banking corporations within and outside the Republic of Mauritius. It is the intermediate holding company of the banking subsidiaries of the MCB Group Limited.

##### **6.1 Health and safety issues**

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The health and safety of staff and visitors is paramount and all reasonable measures are taken to ensure a sound and healthy working environment. The Company is an equal opportunity employer and does not discriminate in any way with regard to race, religion or gender. All employment opportunities are openly advertised and the selection process involves the whole staff.

##### **6.2 Corporate social responsibility**

Total contribution with respect to Corporate Social Responsibility ("CSR") amounted to Rs. 1,908,162 out of which Rs.954,081 were transferred to the MCB Forward Foundation, the entity set up within the MCB Group for CSR purposes and the difference submitted to the Mauritius Revenue Authority in accordance with prevailing legislations.

##### **6.3 Charitable donation**

No donation was made by the Company during the year ended 30 June 2024.

##### **6.4 Political donation**

The Company did not make any political donation during the year ended 30 June 2024.

## MCB INVESTMENT HOLDING LIMITED

### CORPORATE GOVERNANCE REPORT

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#### 6.5 Documents available on the website

The Board is pleased to announce that the following documents can be viewed on the website ([mcbgroup.com/mcb-investment-holding](http://mcbgroup.com/mcb-investment-holding)):

- The full Annual Report of the Company including the financial statements;
- The Constitution;
- The Board Charter;
- The Code of Ethics;
- The Conflicts of interests and related party transactions policy;
- The Information, information technology and information security policy;
- The Position Statements of the Chairperson, the CEO and the Company Secretary;
- The Organization Structure;
- The Statement of major accountabilities within the organization;
- The Structure, organization and qualifications of the key members of the internal audit function;
- The Nomination and appointment process;
- Profile of the Directors; and
- Profile of the Company Secretary.

#### 7. AUDIT

##### 7.1 Internal audit

The Company outsourced the function of internal audit to the Internal Audit (“IA”) Business Unit of The Mauritius Commercial Bank Limited, through a Service Level Agreement, in 2024. The Head of IA is independent of the Executive Management of the Company and reports to the Audit Committee of the, holding company, MCB Group Limited.

IA ensures that the quality of internal audit services provided to MCBIH is aligned with recognised best practices. It leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Company. The Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. The last exercise was carried out in year 2023, by an internationally recognised auditing firm which confirmed the Internal Audit BU’s compliance with the International Standards for the Professional Practice of Internal Audit issued by the above-mentioned institute.

There are no restrictions placed on the internal auditors in conducting their audit exercises.

##### 7.2 External auditor

The Audit Committee of MCB Group Limited (“Audit Committee”) recommends the appointment of the external auditor for all the subsidiaries of MCB Group Limited including the Company on a yearly basis, after having reviewed the Audit Plan presented by the external auditor. The Audit Committee also evaluates the performance of the external auditor and reviews the integrity, independence and objectivity of the external auditor by:

- confirming that the External Auditor is independent from the Company
- considering whether the relationships that may exist between the Company and the external auditor impair the external auditor’s judgement

Upon approval from the Audit Committee, the Board of the Company thereafter recommends the appointment of external auditor to the shareholder at the Annual Meeting of shareholders for approval by way of an ordinary resolution on an annual basis. Deloitte Mauritius was first appointed as external auditor at the Annual Meeting of the Shareholder held on 25 September 2020 and subsequently appointed on an annual basis.



**MCB INVESTMENT HOLDING LIMITED**  
**CORPORATE GOVERNANCE REPORT**

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**7.3 Auditor's Fees**

The fees payable to the auditor, for audit for the last 2 years were:

	2024	2023
	Rs.	Rs.
Audit fees – Deloitte:	123,422	117,544

The auditor did not render any other services during the year.

**8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS**

The shareholder is kept properly informed on matters affecting the Company as the shareholder is fairly represented on the Board. The Annual Meeting of the Shareholder is held in accordance with the Mauritius Companies Act and upon consultation with the shareholder. The website of MCB Group Limited, the Company's holding company, is used to provide relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

**8.1 Shareholders agreement affecting the governance of the Company by the Board**

There is currently no such agreement.

**8.2 Major transactions**

No major transaction as defined under section 130(2) of the Act was undertaken.

**8.3 Third party management agreement**

No such agreement presently exists.

**8.4 Shareholders holding more than 5% of the Company**

The Company is wholly owned by MCBG.

**8.5 Share option plan**

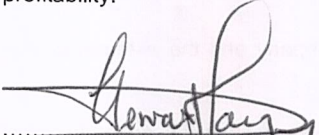
No such scheme currently exists within the Company.

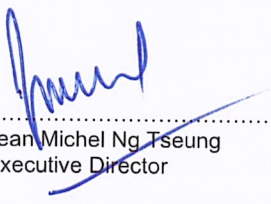
**8.6 Timetable of important events**

The Board aims to hold board meetings on a quarterly basis.

**8.7 Dividend policy**

The Company distributes any excess cash as dividends, subject to its overall capital requirements, liquidity and profitability.

  
.....  
Jean-François Desvaux de Marigny  
Chairperson

  
.....  
Jean Michel Ng Tseung  
Executive Director

27 September 2024



## MCB INVESTMENT HOLDING LIMITED

### STATEMENT OF COMPLIANCE

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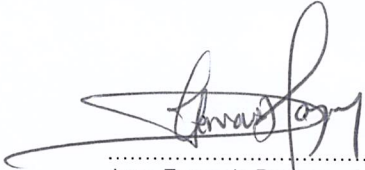
As per Section 75(3) of the Financial Reporting Act

Name of Public Interest Entity ("PIE"): MCB Investment Holding Limited

Reporting Period : 1 July 2023 to 30 June 2024

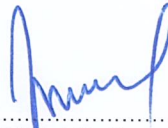
We, the directors of MCB Investment Holding Limited, confirm to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code.

Signed for and on behalf of the Board of Directors on 27 September 2024.



.....  
Jean-Francois Desvaux de Marigny  
Chairperson

27 September 2024



.....  
Jean Michel Ng Tseung  
Executive Director

## Independent auditor's report to the Shareholder of MCB Investment Holding Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of **MCB Investment Holding Limited** (the "Company"/ "the Public Interest Entity") set out on pages 16 to 29, which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's responsibilities for audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The directors are responsible for the other information. The other information comprises the report of the directors, the secretary's certificate, the corporate governance report and the statement of compliance, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent auditor's report to the Shareholder of MCB Investment Holding Limited (cont'd)

### Auditor's responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

#### *Mauritius Companies Act 2001*

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

#### *Financial Reporting Act 2004*

#### *Corporate Governance Report*

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

### Use of this report

This report is made solely to the Company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

  
Deloitte

**Chartered Accountants**

27 September 2024

  
Vishal Agrawal, FCA

**Licensed by FRC**

## MCB INVESTMENT HOLDING LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS	Notes	2024 Rs'000	2023 Rs'000
<b>Non-current assets</b>			
Investment in subsidiaries	6	9,448,825	9,448,825
Equipment	7	329	250
Deferred tax assets	9	56	69
		<u>9,449,210</u>	<u>9,449,144</u>
<b>Current assets</b>			
Other receivables	8	3,301,356	2,736,923
Cash and cash equivalents		11,489	271,586
		<u>3,312,845</u>	<u>3,008,509</u>
<b>Total assets</b>		<u><u>12,762,055</u></u>	<u><u>12,457,653</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	8,879,602	8,879,602
Retained earnings		676,510	788,160
<b>Total equity</b>		<u>9,556,112</u>	<u>9,667,762</u>
<b>Current liabilities</b>			
Other payables	11	402,733	387,979
Current tax liabilities	12	3,210	1,912
Dividend payable		2,800,000	2,400,000
<b>Total liabilities</b>		<u>3,205,943</u>	<u>2,789,891</u>
<b>Total equity and liabilities</b>		<u><u>12,762,055</u></u>	<u><u>12,457,653</u></u>

These financial statements have been approved and authorised for issue by Board on 27 September 2024.

  
 .....  
 Jean-François Desvaux de Marigny  
 Chairperson

  
 .....  
 Jean Michel Ng Tseung  
 Executive Director

The notes on pages 20 to 29 form an integral part of these financial statements.  
 The report from the independent auditor's is on pages 14 to 15.

**MCB INVESTMENT HOLDING LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 Rs'000	2023 Rs'000
Dividend income	14	5,605,813	4,641,619
Profit/(loss) on exchange		5,902	(9,502)
Other income	15	-	11,743
Other expenses		(7,940)	(21,935)
Profit before tax		5,603,775	4,621,925
Income tax	16	(15,425)	(9,189)
Profit for the year		5,588,350	4,612,736
Other comprehensive income		-	-
<b>Total comprehensive income for the year attributable to the owner of the Company</b>		<b>5,588,350</b>	<b>4,612,736</b>

The notes on pages 20 to 29 form an integral part of these financial statements.  
The report from the independent auditor's is on pages 14 to 15.



**MCB INVESTMENT HOLDING LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Share capital Rs'000	Retained earnings Rs'000	Total equity Rs'000
<b>Balance at 1 July 2022</b>		<b>8,879,602</b>	<b>595,424</b>	<b>9,475,026</b>
Profit and other comprehensive income for the year		-	4,612,736	4,612,736
Dividends	13	-	(4,420,000)	(4,420,000)
<b>Balance at 30 June 2023</b>		<b>8,879,602</b>	<b>788,160</b>	<b>9,667,762</b>
Profit and other comprehensive income for the year		-	5,588,350	5,588,350
Dividends	13	-	(5,700,000)	(5,700,000)
<b>Balance at 30 June 2024</b>		<b>8,879,602</b>	<b>676,510</b>	<b>9,556,112</b>

The notes on pages 20 to 29 form an integral part of these financial statements.  
The report from the independent auditor's is on pages 14 to 15.

**MCB INVESTMENT HOLDING LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	Rs'000	Rs'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,603,775	4,621,925
<u>Adjustments for:</u>		
Foreign exchange (gains)/ losses	(5,902)	9,502
Dividend income	(5,605,813)	(4,641,619)
Depreciation	130	139
<b>Operating profit before working capital changes</b>	<b>(7,810)</b>	<b>(10,053)</b>
<u>Movement in working capital:</u>		
- Other receivables	(408,343)	(394,318)
- Other payables	14,754	387,628
<b>Net cash used in operations</b>	<b>(401,399)</b>	<b>(6,690)</b>
Tax paid	(14,114)	(8,825)
<b>Net cash used in operating activities</b>	<b>(415,513)</b>	<b>(25,568)</b>
<b>Cash flow from investing activities</b>		
Dividend received	5,455,625	3,826,399
Proceeds from disposal of equipment	9	-
Purchase of equipment	(218)	-
<b>Net cash from investing activities</b>	<b>5,455,416</b>	<b>3,826,399</b>
<b>Cash flows used in financing activities</b>		
Dividend paid	(5,300,000)	(3,770,000)
<b>Net cash used in financing activities</b>	<b>(5,300,000)</b>	<b>(3,770,000)</b>
Increase in cash and cash equivalents	(260,097)	30,831
Net cash and cash equivalents at 1 July	271,586	240,755
<b>Net cash and cash equivalents at 30 June</b>	<b>11,489</b>	<b>271,586</b>

The notes on pages 20 to 29 form an integral part of these financial statements.  
The report from the independent auditor's is on pages 14 to 15.

## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 1. GENERAL INFORMATION

MCB Investment Holding Limited (the "Company") is a private company incorporated and domiciled in Mauritius.

The address of its registered office is situated at 9-15, Sir William Newton Street, Port Louis. The Company was incorporated on 4 November 2013. It is a wholly owned subsidiary of MCB Group Limited (the "Group") and acts as the intermediate holding of the Group's banking cluster.

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

###### *Statement of compliance*

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

###### *Going concern*

The Board at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

###### *Basis of accounting*

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Where necessary, comparative figures have been amended to conform with changes in presentation, or in accounting policies in the current year.

###### *Investment in subsidiaries*

These financial statements are those of an individual entity and are not consolidated.

Refer to Note 6(b) for details of the subsidiaries.

A subsidiary is an entity with the Company controls. The Company controls an investee if it is exposed, to, and has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are carried at cost. The carrying amount of these investments is reduced to recognize any impairment in the value of the individual investments and any impairment loss is carried to profit or loss.

The Company has taken advantage of paragraph 4 of IFRS10, '*Consolidated Financial Statements*' which dispenses it from the need to present consolidated financial statements. Accordingly, the Company presents only separate financial statements. Its parent, MCB Group Limited, a company incorporated in the Republic of Mauritius, prepares consolidated financial statements that comply with IFRS Accounting Standards and which are available for public use.

A copy of the consolidated financial statements is available at the registered address of MCB Group Limited found at 9-15, Sir William Newton Street, Port Louis.



## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### (a) Basis of preparation (continued)

###### *Changes in accounting policy and disclosures*

###### **New and amended IFRS Accounting Standards adopted by the Company**

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2023.

A number of amendments to standards and interpretations are effective for annual periods beginning on 1 January 2023, and have not been applied in preparing these financial statements. None of these is expected to have a significant and material effect on the financial statements of the Company in the current reporting period. For this financial year, the following has been adopted:

###### ***Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies***

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

###### ***Amendments to IAS 8 - Definition of Accounting Estimates***

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

###### ***Amendments to IAS 12 – Deferred Tax related to assets and liabilities arising from a single transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

###### ***Amendments to IAS 12 International Tax Reform – Pillar Two model***

These amendments give entities temporary relief from accounting for deferred taxes arising from the international tax reform. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

###### **New and revised IFRS Accounting Standards in issue but not yet effective**

###### ***Amendments to IAS 1 - Non-current liabilities with covenants***

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments are effective for reporting periods beginning on or after 1 January 2024.

###### ***Amendments to IAS 7 and IFRS 7 - Supplier finance***

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendments are effective for reporting periods beginning on or after 1 January 2024.

## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### (a) Basis of preparation (continued)

###### New and revised IFRS Accounting Standards in issue but not yet effective (continued)

These amendments will be applied in the financial statements for the annual periods beginning on the respective dates.

The Company has not yet considered the potential impact of the application of these amendments on the financial statements.

##### (b) Foreign currency translation

###### *(i) Functional and presentation currency*

These financial statements are prepared in Mauritian Rupees (Rs' 000), which is the Company's functional and presentation currency.

Except as indicated, financial information presented in Mauritian rupees has been rounded to the nearest thousand.

###### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

##### (c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

##### (d) Share capital

Ordinary shares are classified as equity.

##### (e) Equipment

Equipment is carried at cost less accumulated depreciation.

Depreciation is calculated to write down the cost of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Computer and other equipment	5-10 years
Motor Vehicles	5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of equipment are determined by reference to their disposal proceeds and their carrying amount and are recognised as income or expense in profit or loss.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.



## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### (f) Assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost comprise cash and cash equivalents. At initial recognition, these assets are carried at fair value and subsequently measured at amortised cost.

The Company recognises a loss allowance for expected credit losses on financial assets carried at amortised cost. If the credit risk has increased significantly since initial recognition, the loss allowance shall be an amount equal to the lifetime expected credit losses. However, if the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses.

##### (g) Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

##### (h) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

##### (i) Revenue recognition

Revenue comprises dividend income and other income. Dividend income is recognised when the shareholder's right to receive payment is established. Other income relates to support services to the banking subsidiaries for which a management fee income is earned – this is recognised at a point in time.

##### (j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

##### (k) Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the financial statements in the period in which the dividends are declared.

##### (l) Income tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

###### *Current tax*

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period and includes the Corporate Social Responsibility charge.

###### *Deferred tax*

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

#### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates, assumptions and judgements concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### *Impairment of investment in subsidiary*

Determining whether investments in subsidiary are impaired required an estimation of the value in use of investments. In considering the value in use, the directors have taken into consideration the latest available management accounts and have used the net asset value (NAV) method to determine the investments amount.

##### *Asset lives and residual values*

Equipment is depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

#### 4. CLASSES AND CATEGORIES OF FINANCIAL INSTRUMENTS AND THEIR FAIR VALUES

The following note combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments; and
- Fair value hierarchy levels of financial assets and financial liabilities.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		2024	2023
	Fair value level	Rs'000	Rs'000
<b><u>At amortised cost</u></b>			
Other receivables	2	3,301,356	2,736,923
Cash and cash equivalents	2	11,489	271,586
Other payables	2	402,733	387,979

The carrying values of receivables and payables are assumed to approximate their fair values due to their short-term nature.



## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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#### 5. FINANCIAL RISK MANAGEMENT

Risk management is carried out by the board of directors by identifying and evaluating financial risks. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and investment of excess liquidity.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

##### (a) Market risk

###### (i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company manages its foreign exchange exposures through regular monitoring of foreign exchange rates movements and ensuring that foreign currency denominated outgoing payments and inflows are reviewed and approved before processing the transactions. At year-end, the impact of any fluctuation in foreign exchange was not significant to the Company.

###### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in markets interest rates. The Company's exposure to interest rate risk arises primarily from its cash balances which carry variable interest rate. At year-end, the impact of any fluctuation in interest rate was not significant to the Company.

##### (b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk arises from other receivables and cash and cash equivalents. Cash transactions are limited to high credit quality financial institutions for which the expected credit losses have been assessed as immaterial. Other receivables comprise advances from other group companies which are usually settled 3-6 months after year end.

The Company manages credit risk on cash and cash equivalents by banking with The Mauritius Commercial Bank Limited ("MCB") which is a reputable financial institution whose credit risk is considered minimal. Hence, the ECL is not deemed to be material.

##### (c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The Company prepares rolling forecasts of the monthly cashflows every quarter in order to ensure that it has sufficient liquid assets to meet its financial commitments as and when they fall due.

At year-end, all financial liabilities are due for repayment within less than 12 months after year-end.

##### (d) Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholder and benefit for other stakeholders.

The directors consider the shareholder's equity as capital. In order to maintain or adjust the capital structure, the Company may adjust the shareholding or issue new shares.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and equity attributable to equity holders, comprising share capital and retained earnings. There has been no change in the capital structure of the Company since last year and there are no externally imposed capital requirements.

## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

#### 6. INVESTMENT IN SUBSIDIARIES

	2024	2023
	Rs'000	Rs'000
<b>At 30 June</b>	<b>9,448,825</b>	<b>9,448,825</b>

Details of the subsidiaries are as follows:

Name	Nature of business	Country of incorporation and principal place of business	Percentage Holding	
			Direct	Indirect
The Mauritius Commercial Bank Limited	Banking and financial services	Republic of Mauritius	100%	-
The Mauritius Commercial Bank (Seychelles) Limited		Republic of Seychelles	100%	-
The Mauritius Commercial Bank (Maldives) Private Limited	Financial services	Republic of Maldives	100%	-
The Mauritius Commercial Bank (Madagascar) SA*		Republic of Madagascar	10%	80%

\* MCB Investment Holding Limited holds 10% directly in MCB Madagascar and 80% indirectly through its wholly owned subsidiary The Mauritius Commercial Bank Limited. Hence, the Company has an effective interest of 90% in The Mauritius Commercial Bank (Madagascar) SA.

The directors are satisfied that there are no indications requiring an impairment of the investment in subsidiaries.

#### 7. EQUIPMENT

	Computer Equipment Rs'000	Motor Vehicle Rs'000	Total Rs'000
<b>Cost</b>			
<b>At 1 July 2022 and 1 July 2023</b>	<b>946</b>	<b>5,000</b>	<b>5,946</b>
Additions	218	-	218
Disposal	(46)	-	(46)
<b>At 30 June 2024</b>	<b>1,118</b>	<b>5,000</b>	<b>6,118</b>
<b>Accumulated depreciation</b>			
<b>At 1 July 2022</b>	557	5,000	5,557
Charge for the year	139	-	139
<b>At 30 June 2023</b>	<b>696</b>	<b>5,000</b>	<b>5,696</b>
Charge for the year	130	-	130
Disposal	(37)	-	(37)
<b>At 30 June 2024</b>	<b>789</b>	<b>5,000</b>	<b>5,789</b>
<b>Net book value</b>			
<b>At 30 June 2024</b>	<b>329</b>	-	<b>329</b>
At 30 June 2023	250	-	250

#### 8. OTHER RECEIVABLES

	2024	2023
	Rs'000	Rs'000
Current:		
Dividend receivable	2,505,309	2,349,219
Receivable from holding company	796,047	387,704
	<b>3,301,356</b>	<b>2,736,923</b>

The carrying amount of other receivables approximates their fair value and are usually settled within 3 to 6 months. Other receivables are unsecured and non-interest bearing.



## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

#### 9. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Company using an effective tax rate of 17% and movements thereon during the current and prior reporting period.

	2024	2023
	Rs'000	Rs'000
At 1 July	69	83
Accelerated tax depreciation	(13)	(14)
At 30 June	56	69

#### 10. SHARE CAPITAL

	Number of shares (thousands)	Total Rs'000
At 30 June 2024 and 2023	887,960	8,879,602

Fully paid ordinary shares carry one vote per share and the right to dividend.

#### 11. OTHER PAYABLES

Current:

	2024	2023
	Rs'000	Rs'000
Payable to The Mauritius Commercial Bank Limited	402,609	387,861
Miscellaneous	124	118
	402,733	387,979

The carrying amount of other payables approximates their fair values due to their short term nature. These payables are usually settled within 3- 6 months and are non-interest bearing.

#### 12. CURRENT TAX LIABILITIES

	2024	2023
	Rs'000	Rs'000
At 1 July	1,912	1,562
Provision (including CSR)	15,431	10,732
Overprovision in previous year	(19)	(1,557)
Tax paid (including withholding tax)	(14,114)	(8,825)
At 30 June	3,210	1,912

#### 13. DIVIDEND

	2024	2023
	Rs'000	Rs'000
<i>Proposed:</i>		
Dividend of Rs 3.27/2.27 per share	2,900,000	2,020,000
Dividend of Rs 3.15/2.70 per share	2,800,000	2,400,000
	5,700,000	4,420,000
<i>Paid as follows:</i>		
On 6 July 2023/ 7 July 2022	2,400,000	1,750,000
On 19 December 2023/ 12 December 2022	2,900,000	2,020,000
	5,300,000	3,770,000

#### 14. DIVIDEND INCOME

	2024	2023
	Rs'000	Rs'000
Local subsidiary	5,200,000	4,325,000
Foreign subsidiaries	405,813	316,619
	5,605,813	4,641,619

**MCB INVESTMENT HOLDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**15. OTHER INCOME**

	2024	2023
	Rs'000	Rs'000
Support services	-	11,743
	-	11,743

**16. INCOME TAX EXPENSE**

(a) The tax expense included in profit or loss is as follows:

	2024	2023
	Rs'000	Rs'000
Income tax based on the adjusted profit	90,974	69,889
Deferred tax	13	14
Corporate social responsibility contribution	2,987	1,913
Foreign withholding tax	12,444	8,819
Tax credit	(90,974)	(69,889)
Overprovision in previous year	(19)	(1,557)
Charge for the year	15,425	9,189

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	2024	2023
	Rs'000	Rs'000
Profit before tax	5,603,775	4,621,925
Tax calculated at applicable rate of 15%	840,566	693,289
<i>Impact of:</i>		
Income not subject to tax	(781,218)	(648,750)
Expenses not deductible for tax purposes	31,639	25,364
Tax credits	(90,974)	(69,889)
Corporate social responsibility contribution	2,987	1,913
Overprovision in previous year	(19)	(1,557)
Foreign withholding tax	12,444	8,819
Tax expense for the year	15,425	9,189

**17. RELATED PARTY TRANSACTIONS**

(a) (i) Balances as at 30 June:

**Holding Company**

	Amount owed by	Amount owed to
	Rs'000	Rs'000
2024	796,047	2,800,000
2023	387,674	2,400,000

## MCB INVESTMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

#### 17. RELATED PARTY TRANSACTIONS (CONTINUED)

##### (a) (i) Balances as at 30 June:

###### Subsidiaries

	Cash and cash equivalents	Amount owed by	Amount owed To
	Rs'000	Rs'000	Rs'000
2024	11,489	2,505,309	402,609
2023	271,586	2,349,249	387,861

##### (ii) Income and expenses for the year ended 30 June:

###### Subsidiaries

	Dividend income	Other income	Other expense
	Rs'000	Rs'000	Rs'000
2024	5,605,813	-	1,296
2023	4,641,619	11,743	546

The Company introduced the transfer pricing policy applicable as from 1 January 2021 with its subsidiaries in line with best practice and has gradually migrated the new policy with support services. These fees are included in 'Other Income' representing the invoicing of administrative and support services provided by the Company.

##### (b) Key Management Personnel compensation

	2024	2023
	Rs'000	Rs'000
Remuneration and other benefits relating to Key Management Personnel, including Directors	253	14,795

The above transactions have been made in the normal course of business. Outstanding balances at year end are unsecured and are not impaired.

#### 18. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors regard MCB Group Limited, a company incorporated in Mauritius as the immediate and ultimate holding company.

#### 19. SUBSEQUENT EVENTS

Subsequent to 30 June 2024 and through the date on which the financial statements were authorised for issue, the Directors evaluated that there were no events that require disclosure or adjustments in these financial statements.